



frontdoor®

First-Quarter 2026 Earnings Webcast

April 30th, 2026



Today's Presenters



Bill Cobb

Chairman &
Chief Executive Officer



Jason Bailey

Senior Vice President &
Chief Financial Officer



Matt Davis

Vice President,
Investor Relations and Treasurer

Forward Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, in particular, projected future performance and any statements about Frontdoor's plans, strategies and prospects. Forward-looking statements can be identified by the use of forward-looking terms such as "believe," "expect," "estimate," "could," "should," "intend," "may," "plan," "seek," "anticipate," "project," "will," "shall," "would," "aim," or other comparable terms. These forward-looking statements are subject to known and unknown risks and uncertainties, many of which may be beyond our control. Such risks and uncertainties include, but are not limited to: changes in macroeconomic conditions, including inflation, tariffs and global supply chain challenges and changing interest rates, especially as they may affect existing or new home sales, consumer confidence, demand for our services, labor availability or our costs; our ability to successfully implement our business strategies; the ability of our marketing efforts to be successful and cost-effective; our dependence on our first-year direct-to-consumer and real estate acquisition channels and our renewal channel for home warranty sales; our dependence on our existing warranty customer base and strategic partners for non-warranty sales; changes in the source and intensity of competition in our market; our ability to attract, retain and maintain positive relations with third-party contractors and vendors; increases in parts, appliance and home system prices, and other operating costs; changes in U.S. tariffs or import/export regulations; our ability to attract and retain qualified key employees and labor availability in our customer service operations; our dependence on third-party vendors, including business process outsourcers, and third-party component suppliers; weather, including adverse conditions, seasonality, along with related environmental regulations; compliance with, or violation of, laws and regulations, including consumer protection laws, or lawsuits or other claims by third parties, increasing our legal and regulatory expenses; cybersecurity breaches, disruptions or failures in our technology systems; our ability to protect the security of personal information about our customers; technological developments in artificial intelligence; negative reputational and financial impacts resulting from acquisitions or strategic transactions; a requirement to recognize impairment charges on goodwill and intangible assets; our ability to underwrite risks accurately and to charge adequate prices to builder members, as well as our ability to effectively re-insure a large portion of those risks; the availability of reinsurance to manage a substantial portion of our potential loss exposure for our new home builder warranty business; evolving corporate governance and disclosure regulations and expectations; inappropriate use of social media by us or other parties to harm our reputation; our ability to protect our intellectual property and other material proprietary rights; third-party use of our trademarks as search engine keywords to direct our potential customers to their own websites; special risks applicable to operations outside the United States by us or our business process outsource providers; the acquisition of 2-10 Home Buyers Warranty may not achieve its intended results; any liabilities, losses, or other exposures for which we do not have adequate insurance coverage, indemnification, or other protection; a return on investment in our common stock is dependent on appreciation in the price; inclusion in our certificate of incorporation a forum selection clause that could discourage an acquisition of our company or litigation against us and our directors and officers; the effects of our significant indebtedness, our ability to incur additional debt and the limitations contained in the agreements governing such indebtedness; increases in interest rates increasing the cost of servicing our indebtedness and counterparty credit risk due to instruments designed to minimize exposure to market risks; increased borrowing costs due to lowering or withdrawal of the credit ratings, outlook or watch assigned to us or our Credit Facilities; our ability to generate the significant amount of cash needed to fund our operations and service our debt obligations. We caution you that forward-looking statements are not guarantees of future performance or outcomes and that actual performance and outcomes, including, without limitation, our actual results of operations, financial condition and liquidity, and the development of new markets or market segments in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. For a discussion of other important factors that could cause Frontdoor's results to differ materially from those expressed in, or implied by, the forward-looking statements included in this document, refer to the risks and uncertainties detailed from time to time in Frontdoor's periodic reports filed with the SEC, including the disclosure contained in Item 1A. Risk Factors in our 2025 Annual Report on Form 10-K filed with the SEC, as such factors may be updated from time to time in Frontdoor's periodic filings with the SEC. Except as required by law, Frontdoor does not undertake any obligation to update or revise the forward-looking statements to reflect new information or events or circumstances that occur after the date of this presentation or to reflect the occurrence of unanticipated events or otherwise. Readers are advised to review Frontdoor's filings with the SEC, which are available from the SEC's EDGAR database at sec.gov, and via Frontdoor's website at frontdoorhome.com.

Non-GAAP Financial Measures

To supplement Frontdoor's results presented in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"), Frontdoor has disclosed the non-GAAP financial measures of Adjusted EBITDA, Free Cash Flow, and Unrestricted Cash. We define "Adjusted EBITDA" as net income before depreciation and amortization expense; goodwill and intangibles impairment; restructuring charges; acquisition and integration related costs; provision for income taxes; non-cash stock-based compensation expense; interest expense; loss on extinguishment of debt; and other non-operating expenses.

We define "Adjusted EBITDA margin" as Adjusted EBITDA divided by revenue. We believe Adjusted EBITDA and Adjusted EBITDA margin are useful for investors, analysts and other interested parties as they facilitate company-to-company operating performance comparisons by excluding potential differences caused by variations in capital structures, taxation, the age and book depreciation of facilities and equipment, restructuring and acquisition initiatives and equity-based, long-term incentive plans.

We define "Free Cash Flow" as net cash provided from operating activities less property additions. Free Cash Flow is not a measurement of our financial performance or liquidity under U.S. GAAP and does not purport to be an alternative to net cash provided from operating activities or any other performance or liquidity measures derived in accordance with U.S. GAAP.

We define "Adjusted Net Income" as net income before: amortization expense; acquisition and integration related costs; restructuring charges; loss on extinguishment of debt; other non-operating expenses; and the tax impact of the aforementioned adjustments. We believe Adjusted Net Income is useful for investors, analysts and other interested parties as it facilitates company-to-company operating performance comparisons by excluding potential differences caused by items listed in this definition.

We define "Adjusted Diluted Earnings per Share" as Adjusted Net Income divided by the weighted-average diluted common shares outstanding.

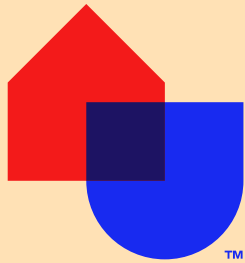
We define "Unrestricted Cash" as cash not subject to third-party restrictions. For additional information related to our third-party restrictions, see "Liquidity and Capital Resources — Liquidity" under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2025 Annual Report on Form 10-K filed with the SEC.

See the Appendix attached hereto for additional information and reconciliations of such non-GAAP financial measures. Management believes these non-GAAP financial measures provide useful supplemental information for its and investors' evaluation of Frontdoor's business performance and are useful for period-over-period comparisons of the performance of Frontdoor's business. While we believe that these non-GAAP financial measures are useful in evaluating our business, this information should be considered as supplemental in nature and is not meant to be considered in isolation or as a substitute for the related financial information prepared in accordance with U.S. GAAP. In addition, these non-GAAP financial measures may not be the same as similarly entitled measures reported by other companies.

Reconciliations of the forward-looking Non-GAAP Financial Measures to the most comparable GAAP financial measures cannot be provided without unreasonable effort because of the inherent difficulty of accurately forecasting the occurrence and financial impact of the various adjusting items necessary for such reconciliations that have not yet occurred, are out of our control, or cannot be reasonably predicted. For the same reasons, the company is unable to assess the probable significance of the unavailable information, which could have a material impact on its future GAAP financial results.

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Reminder: 2026 Focus Areas



**Grow
Member
Base**



**Deliver
Structurally
Higher Margins**



**Maintain
Disciplined Capital
Allocation**

Q1 2026 Highlights

(\$ millions)

Revenue

\$451M

+6%

Gross Profit Margin

55%

Unchanged

Net Income

\$41M

+11%

Adjusted EBITDA*

\$104M

+3%



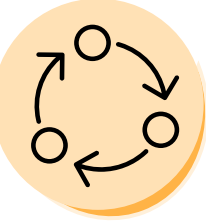

Highlights

- Growth in the number of home warranties in the first-year channels accelerated to 3%
- Total member count is trending positively; expected to be up ~1% for FY 2026
- Continued expansion in HVAC upgrade program
- Repurchased \$60M of shares through March 31st

Note: all comparisons are versus the prior year period of Q1 2025

*This financial measure is a non-GAAP financial measure. Refer to "Non-GAAP Financial Measures" in this presentation for a description of this measure and the Appendix for a reconciliation to the nearest GAAP financial measure.

Strong Execution Across the Business in Q1

| Channel | Highlights* | Drivers |
|--|-------------------------------------|---|
|  <p>Direct-to-consumer</p> | <p>+3% Member Growth</p> | <ul style="list-style-type: none"> ○ Strengthening brand leadership ○ Growing demand ○ Improving conversion through AI tools and promotional pricing |
|  <p>Real Estate</p> | <p>+3% Member Growth</p> | <ul style="list-style-type: none"> ○ Existing home sales remain constrained ○ Home inventory improving ○ Strong execution drove higher attach rates |
|  <p>Renewals</p> | <p>+6% Revenue</p> | <ul style="list-style-type: none"> ○ Strong renewal rates ○ Continue to improve member journey ○ Reduced cancelations |
|  <p>Non-Warranty and other</p> | <p>+23% Revenue</p> | <ul style="list-style-type: none"> ○ HVAC upgrade program continues to scale ○ Improved HVAC upgrade quote rate and conversion |

*All comparisons are versus the prior year period of Q1 2025

Strategic Priorities to Drive Value Creation

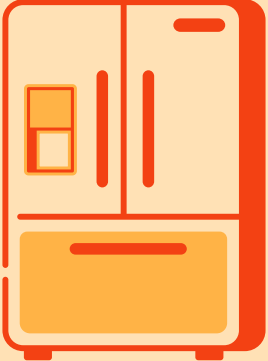
1

Drive
Member
Growth



2

Scale
Non-Warranty
Revenue



3

Deliver
Structurally
Higher Margins



4

Maintain
Capital Allocation
Discipline



First Quarter 2026 Financial Results



Q1 2026 Financial Snapshot

(\$ millions)

Revenue

\$451

+6%

Gross Margin

55%

Unchanged

Adj EBITDA*

\$104

+3%

Adj Diluted EPS*

\$0.73

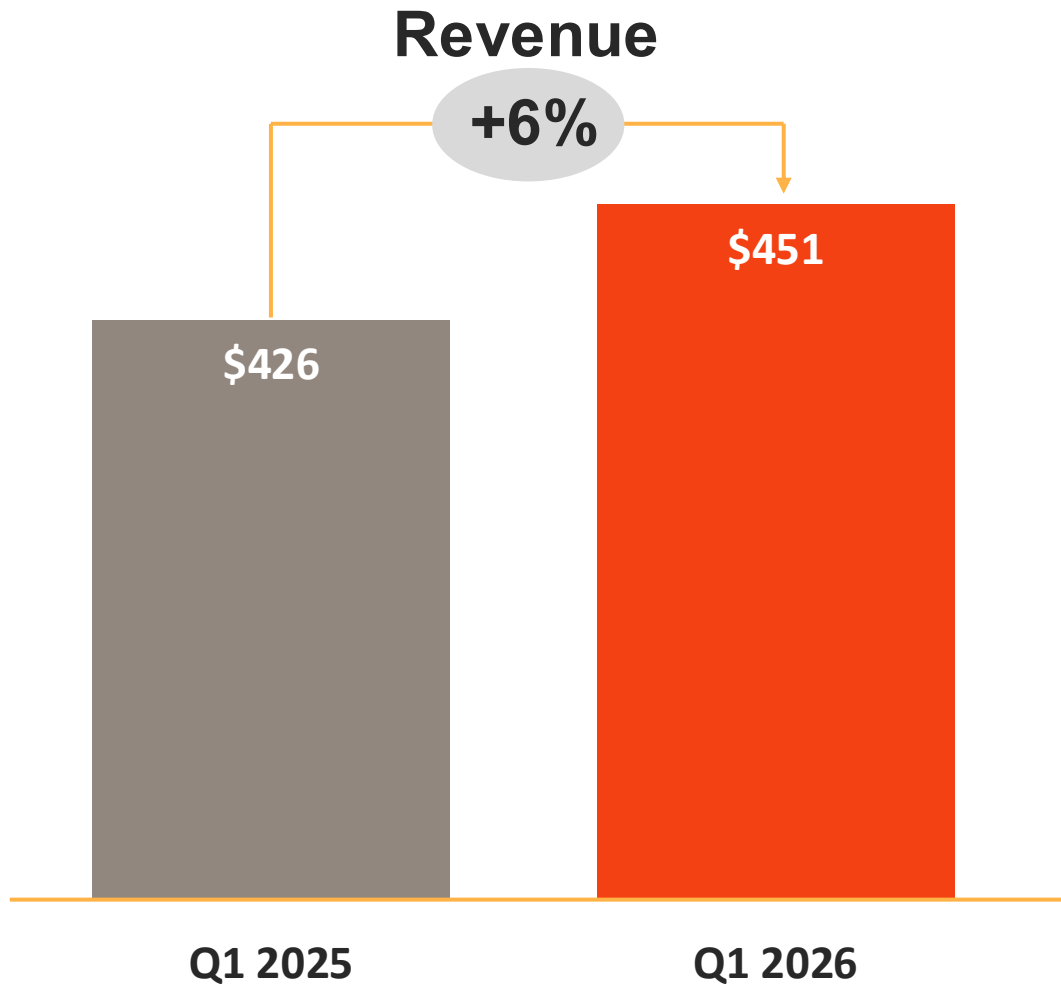
+14%

Note: All comparisons are versus the prior year period of Q1 2025

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Continued Revenue Growth in Q1

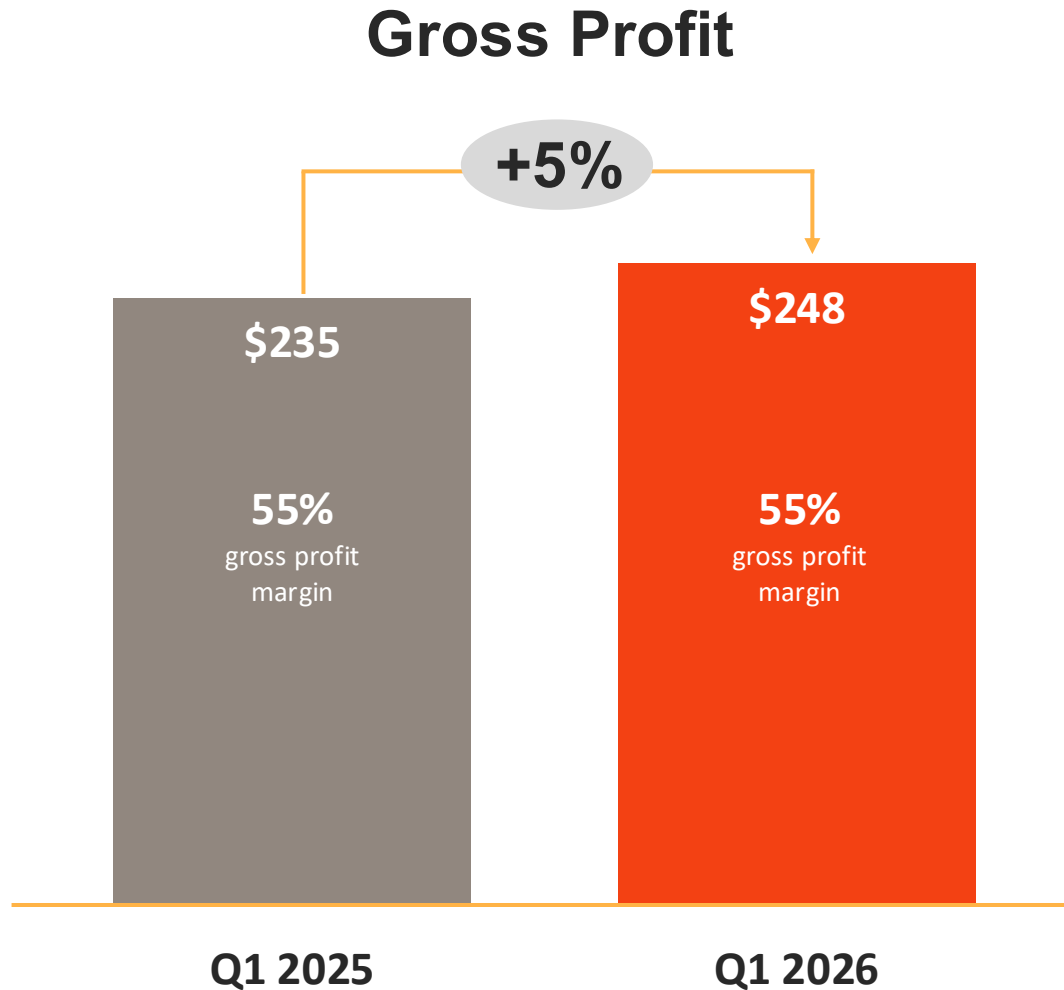
(\$ millions)



- Comprised of 5% Price and 1% Volume
 - Renewals up 6% due to higher price
 - First-Year Real Estate up 3% with higher volume partially offset by lower price
 - First-Year DTC down 5% with lower price partially offset by higher volume
 - Non-warranty and other revenue up 23%, primarily driven by the HVAC upgrade program

Delivered Strong Gross Margins in Q1

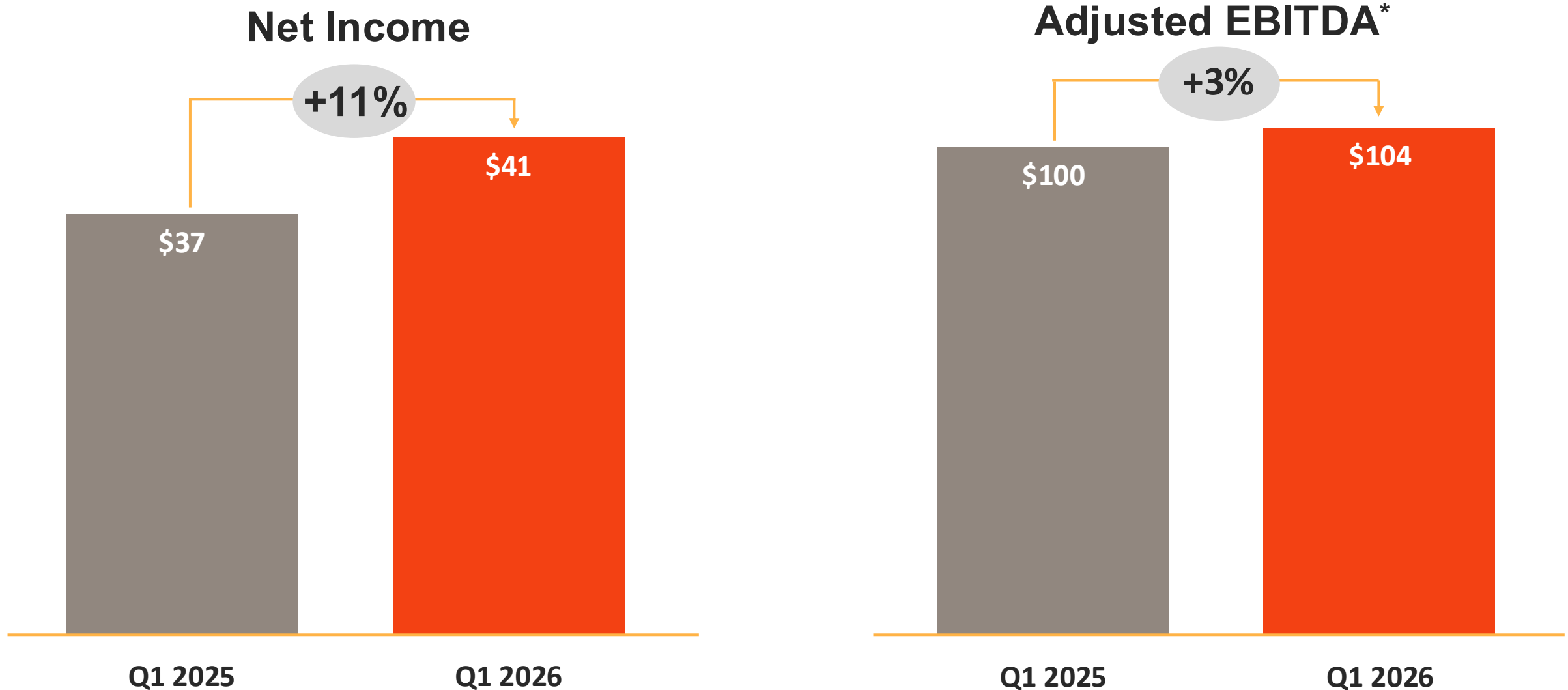
(\$ millions)



- Gross margins were unchanged vs. the prior year period
 - 5% higher realized price delivered through dynamic pricing
 - Low single digit cost inflation
 - Slightly higher number of service requests per member, including \$1M of unfavorable weather
 - Growth in non-warranty and other driving mix shift

Q1 2026 Net Income & Adjusted EBITDA*

(\$ millions)



* This financial measure is a non-GAAP financial measure. Refer to "Non-GAAP Financial Measures" in this presentation for a description of this measure and the Appendix for a reconciliation to the nearest GAAP financial measure

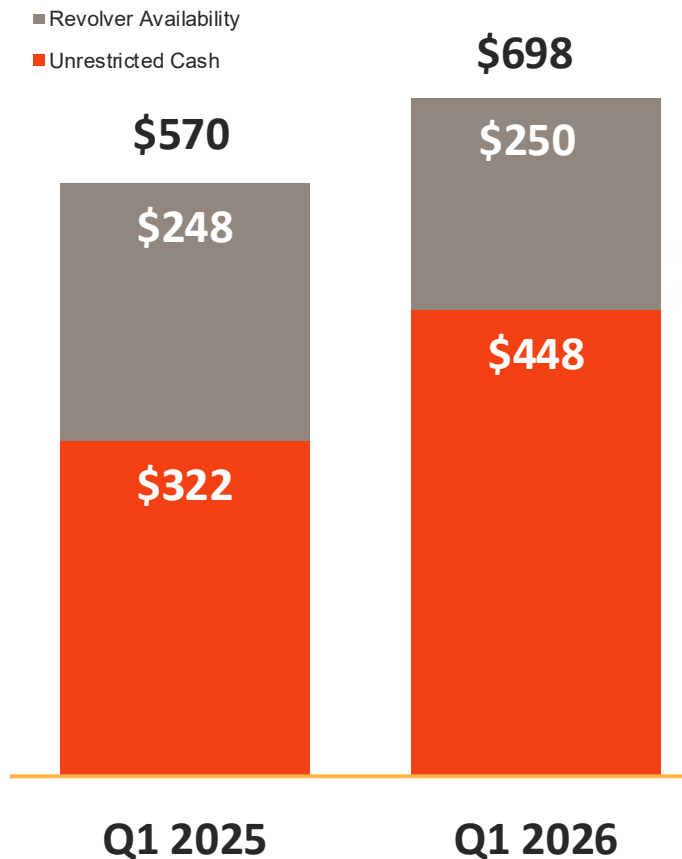
Strong Free Cash Flow & Financial Position

(\$ millions)

Free Cash Flow*



Liquidity Position



- Robust free cash flow of \$114M in Q1
- Free cash flow conversion expected to be above 60% of Adjusted EBITDA for FY 2026
- Repurchased \$60M of shares during Q1 and on track to complete current authorization by early 2027
- Strong financial position supports capital allocation strategy

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Q2 2026 Financial Guidance



Revenue

\$635M to \$650M

Drivers

- Low single digit increase in Renewal
- Mid single digit increase in Real Estate
- Low single digit decrease in Direct-to-Consumer
- Mid 20% increase in Non-warranty & Other



Adjusted EBITDA*

\$198M to \$208M

Drivers

- Higher gross profit from revenue conversion
- Low single digit inflation
- Continued revenue mix shift to non-warranty and other
- Increased SG&A spend to drive member growth

*Refer to "Non-GAAP Financial Measures" in this presentation for a description of this measure. A reconciliation of our forward-looking Adjusted EBITDA outlook to net income cannot be provided without unreasonable effort because of the inherent difficulty of accurately forecasting the occurrence and financial impact of the various adjusting items necessary for such reconciliation that have not yet occurred, are out of our control, or cannot be reasonably predicted. For the same reasons, the company is unable to assess the probable significance of the unavailable information, which could have a material impact on its future GAAP financial results.

Reaffirming FY 2026 Outlook

| Metric | FY 2025 Actual | FY 2026 Outlook |
|----------------------------------|-----------------------|---------------------------|
| Revenue | \$2.1 billion | \$2.155 - \$2.195 billion |
| Gross Profit Margin | 55% | 54% - 55% |
| SG&A | \$669 million | \$660 - \$680 million |
| Adjusted EBITDA* | \$553 million | \$565 - \$580 million |
| Capital Expenditures | \$26 million | \$30 - \$35 million |
| Annual Effective Tax Rate | 25% | ~25% |

*Refer to "Non-GAAP Financial Measures" in this presentation for a description of this measure. A reconciliation of our forward-looking Adjusted EBITDA outlook to net income cannot be provided without unreasonable effort because of the inherent difficulty of accurately forecasting the occurrence and financial impact of the various adjusting items necessary for such reconciliation that have not yet occurred, are out of our control, or cannot be reasonably predicted. For the same reasons, the company is unable to assess the probable significance of the unavailable information, which could have a material impact on its future GAAP financial results.

Three Key Takeaways:

Member Count Expected to Grow ~1% in 2026

Delivering Margins In-Line With Long Term Targets

Using Significant Cash Flows to Repurchase Shares



Questions?

Appendix



Q1 2026 Consolidated Results

| \$ millions, except per share amounts | Three Months Ended March 31, | | |
|--|------------------------------|--------------|-------------|
| | 2026 | 2025 | Change |
| Revenue | \$451 | \$426 | \$25 |
| YoY Growth | | | 6% |
| Gross Profit | \$248 | \$235 | \$13 |
| % of revenue | 55% | 55% | (30) bps |
| Selling and administrative expenses | \$162 | \$151 | \$11 |
| % of revenue | 36% | 35% | 50 bps |
| Depreciation and amortization expense | 20 | 23 | (2) |
| Restructuring charges | 1 | 1 | 0 |
| Interest expense | 19 | 19 | 1 |
| Interest and net investment income | (5) | (6) | 1 |
| Income before taxes | \$51 | \$48 | \$3 |
| Provision for income taxes | 10 | 11 | (1) |
| Net income | \$41 | \$37 | \$4 |
| Other comprehensive income, net of tax | 4 | (7) | 11 |
| Total Comprehensive Income | \$45 | \$30 | \$16 |
| Earnings Per Share: | | | |
| Basic | \$0.58 | \$0.50 | \$0.09 |
| Diluted | \$0.57 | \$0.49 | \$0.09 |
| Weighted average common shares outstanding: | | | |
| Basic | 70.6 | 74.7 | 4.1 |
| Diluted | 72.2 | 76.3 | 4.1 |
| Adjusted EBITDA* | \$104 | \$100 | \$4 |

*This financial measure is a non-GAAP financial measure. Refer to "Non-GAAP Financial Measures" in this presentation for a description of this measure and the Appendix for a reconciliation to the nearest GAAP financial measure.

Adjusted EBITDA* and Adjusted EBITDA Margin* Reconciliation

| | Three Months Ended March 31 | | Twelve Months Ended December 31 |
|---|--------------------------------|--------------|------------------------------------|
| (\$ millions) | 2026 | 2025 | 2025 |
| Revenue | \$451 | \$426 | \$2,093 |
| Net Income | 41 | 37 | 255 |
| Depreciation and amortization expense | 20 | 23 | 89 |
| Restructuring charges | 1 | 1 | 4 |
| Provision for income taxes | 10 | 11 | 84 |
| Non-cash stock-based compensation expense | 10 | 8 | 34 |
| Interest expense | 19 | 19 | 79 |
| Acquisition and integration related costs | 2 | 2 | 8 |
| Other | - | - | 1 |
| Adjusted EBITDA* | \$104 | \$100 | \$553 |
| Net Income Margin | 9.1% | 8.7% | 12.2% |
| Adjusted EBITDA Margin* | 23.0% | 23.5% | 26.4% |

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Adjusted Net Income* Reconciliation

Three Months Ended

March 31,

| (\$ millions) | 2026 | 2025 |
|---|---------------|---------------|
| Net Income | \$41 | \$37 |
| Amortization expense | 12 | 13 |
| Restructuring charges | 1 | 1 |
| Acquisition and integration related costs | 2 | 2 |
| Tax Impact of adjustments | (3) | (3) |
| Adjusted Net Income* | \$53 | \$49 |
| Adjusted Earnings per Share* | | |
| Diluted | \$0.73 | \$0.64 |
| Weighted-average Common Shares outstanding | | |
| Diluted | 72.2 | 76.3 |

*This financial measure is a non-GAAP financial measure. Refer to "Non-GAAP Financial Measures" in this presentation for a description of this measure and the Appendix for a reconciliation to the nearest GAAP financial measure.

Free Cash Flow* Reconciliation

| | Three Months Ended | |
|--|--------------------|--------------|
| | March 31, | |
| (\$ millions) | 2026 | 2025 |
| Net Cash Provided from Operating Activities | \$119 | \$124 |
| Property additions | (6) | (7) |
| Free Cash Flow* | \$114 | \$117 |

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